



Office of Health Benefits

Fall 2003

2004 FLEX FACTS

Open Enrollment for Flexible Reimbursement Accounts

October 20 — November 21, 2003

Flexible Reimbursement Accounts (FRAs) are currently on a calendar year basis, from January through December of each year. Starting on July 1, 2004, the plan year for FRAs will move from the calendar year to a fiscal year (July 1 through June 30) to coincide with the administration of your health benefits. To accomplish this, Fall FRA Open Enrollment will be for a short plan year — January through June, 2004 — so that the transition can be made to a full plan year beginning July 1, 2004.

Q. How will Open Enrollment for the short plan year work?

A. At Open Enrollment, you will enroll or re-enroll in a Medical Reimbursement or Dependent Care Reimbursement Account, or both. The accounts will be in effect from January 1, 2004 through June 30, 2004. The minimum and maximum amounts you can contribute to your account will change. You may contribute a minimum of \$10 per pay period not to exceed a total of \$2500 for the plan year. Remember that the maximum amount for a Dependent Care FRA depends on your tax filing status.

Q. Will the process for enrolling in FRAs be the same?

A. Yes. If you want to enroll for the first time in an FRA or re-enroll in a Medical or Dependent Care FRA for the 2004 short plan year, you may either:

- Use EmployeeDirect on the Web at <http://edirect.state.va.us> and follow the step-by-step instructions; **OR**
- Complete an FRA election form. You may print a form from the DHRM Web site at www.dhrm.state.va.us or request one from your Benefits Administrator.

Q. What happens after the short plan year?

A. In the spring of 2004, FRA Open Enrollment will coincide with Open Enrollment for your health benefits. Both FRAs and your health plan will take effect on July 1, 2004. Your FRA(s) will be on a full plan year (July 1—June 30) each year. You may contribute a minimum of \$10 per pay period not to exceed a total of \$5000 for the plan year. See the FRA Election Form for special rules on Dependent Care FRAs.

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Q. Will I receive a confirmation once I have enrolled in a Flex account for the short plan year?

A. Just as for the full plan year, FBMC will mail a confirmation to your home address prior to the start of the new short plan year. Remember to check the accuracy of your FRA election information.

Q. When can I expect the short plan year FRA deduction from my paycheck?

A. The payroll deduction for your short plan year FRA(s) will be reflected beginning with your Jan. 16, 2004 paycheck. Be sure to check your pay stub to verify that the amount deducted is accurate.

Q. Can I transfer money from my Flex account in the short plan year to a full plan year account that is effective July 1, 2004?

A. No. The same "use it or lose it" rule is in effect for the short plan year. You must use all the money in your January through June account by June 30 and may not transfer any of that money to any other account.

Q. How long after the short plan year ends will I have to get reimbursed?

A. If you are enrolled in an FRA during the short plan year, you must file for reimbursement by September 30, 2004. Fax or send Reimbursement Request forms to:

Fax: (850) 425-4608

Mail: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Q. How long will it take to receive my reimbursement?

A. Reimbursement checks are issued within 5 working days from the time a complete reimbursement request is received. Consider signing up for direct deposit so that your reimbursement will automatically be deposited in your checking or savings account. A direct deposit form is available from FBMC or the FBMC Web site at www.fbmc-benefits.com.

Need more information on Flexible Benefits? Visit the DHRM Web site at www.dhrm.state.va.us. The Flexible Benefits link is under the Compensation and Benefits button.